



BLACK PEPPER

- Kochi Black Pepper physical market fell this fortnight as arrivals improved in Kochi and other domestic markets in the south.
- Markets are expected to be weak as arrivals are likely to gain momentum in March.
- Markets fell due to lacklustre demand from the domestic and international buyers.
- Sentiments remained weak as harvesting in Vietnam has commenced and the prices offered by them in the international market are lower compared to the other competitors.
- Sources however added that Vietnamese and Indian farmers holding on to their crop in anticipation of higher prices.
- However long term sentiments remain firm on reports of lower crop this year in Malabar.
- Spices Board added that Pepper exports were down by 7% at 15,700 tonnes compared 16,925 tonnes during the period of April-January 2009-10.
- Cumulative arrivals for this fortnight were 185 Tonnes. Cumulative offtake for this fortnight were 192 Tonnes.
- However Black pepper markets saw buying interest from exporters and interstate dealers.
- IPC says that India may produce 48,000 tonnes lower by 2,000 tonnes compared to last year at 50,000.
- IPC also added that global production is expected to be lower at 309,952 tonnes lower by 6,428 tonnes compared to last year at 316,380 tonnes.
- Vietnam is expected to produce 100,000 tonnes higher by 5,000 tonnes compared to last year at 95,000 tonnes.

In the short term pepper prices will depend on demand from the overseas and domestic market and fresh arrivals in the physical Mandi in Kochi. In the medium to long term price trend will depend on pepper stocks with Indonesia and demand from the overseas and domestic buyers.

Rs/Qtl	February 19 th 2011	March 05 th 2011	Change
Ungarbled	22400	21800	-600
Garbled	23300	22600	-700

Technical Analysis - NCDEX – March Futures



- Prices have closed below 9 and 18-day EMAs thus supporting the bearish momentum in short term.
- MACD and RSI are moving down supports bearish market.
- Key support levels are at Rs 21093/qtl and then Rs 21757/qtl.
- Key resistance levels are at Rs 23512/qtl and then Rs 24603/qtl.



CARDAMOM

- Cardamom markets fell this fortnight as arrivals remained higher in the domestic markets.
- Spot and export demand remained weak and pulled markets lower.
- Export demand continues to be weak and continue to add bearish sentiments in the markets.
- Cardamom cash markets were influenced by weak futures counter throughout the fortnight.
- Cumulative arrivals for this fortnight were higher at 289,058 kgs. Cumulative offtake for this fortnight were 274,702 kgs.
- However sources added that planters are holding on to their stocks wanting higher prices.
- Sources also added that the final harvest is going on and this year production is higher and this may cause more arrivals to come in.
- According to Spices Board cardamom production is estimated around 10,350 tonnes compared with 10,075 tonnes last year.
- However sources added that imports from Guatemala may decline due to lower production in the country.
- Spices Board added that Cardamom Small exports were down by 49% at 780 tonnes compared 1,540 tonnes during the period of April-January 2009-10. Cardamom Large exports were down by 17% at 600 tonnes compared 720 tonnes during the period of April-January 2009-10. Spices Board also added Cardamom Large exports were down by 40% at 400 tonnes compared 670 tonnes during the period of April-December 2009.
- Spices Board added that the target for 2010-11 for Cardamom (Small and Large) is 1,000 tonnes.

We believe that cash markets may move higher in the short term due to lower arrivals. In the longer run markets could remain weak on better output from India and lower imports from Guatemala.

Rs/Kg	February 19 th 2011	March 05 th 2011	Change
Max Auction Price	1244.5	1231	-13.5
Average Auction Price	1050	970.46	-79.54

Technical Analysis - MCX – March Futures



- Prices have closed below 9 and 18-day EMAs thus supporting the bearish momentum in the short term.
- MACD is flat in the negative zone supports the bearish momentum.
- RSI is flat and supports sideways markets.
- Key supports appear to be at Rs 930/Kg and then Rs 998/Kg.
- Key resistances appear to be at Rs 1186/Kg and then Rs 1306/Kg.



TURMERIC

- Nizam and Erode markets fell this fortnight on weak demand on the domestic and international fronts.
- Sources added that if arrivals improve as planters are getting good prices for their stock prices may decline in the short term.
- Sentiments however could remain firm in the long run as untimely rains in the sowing regions have delayed harvest.
- However production estimates for this year ranges from 50-60 lakh bags all over India compared to 40-45 lakh bags during the previous year.
- This according to market players could pull the markets lower in the longer run.
- Spices Board added that Turmeric exports were down by 13% at 38,000 tonnes declined during the period of April-January 2010-11 compared 43,825 tonnes during the period of April-January 2009-10.
- However market activity remained low as upcountry demand remained weak.
- Cumulative arrivals at Erode for this fortnight were higher at 61,000 quintals. Cumulative offtake for this fortnight were at 50,100 quintals.
- Cumulative arrivals at Nizam for this fortnight were also lower at 53,000 quintals and were completely sold.
- On the other hand this year about 5-10% losses could be seen due to bad weather conditions in the initial sowing period.
- The stocks which are coming are wet and traders are not interested in buying the wet stock.
- So this may slow down arrivals and start to take the markets up.

*In the short-term turmeric prices may trade range bound to weak on expected higher fresh arrivals in the markets.
In the medium to long-term the price trend may depend on this year's output estimates and demand.*

Rs/Qtl	February 18 th 2011	March 04 th 2011	Change
Finger – Erode-New	12200-13200	12050-12950	-250
Gattah – Erode-New	11700-12700	11550-12450	-250
Nizam Quality-New	14200	11900-12000	-2200

Technical Analysis - NCDEX – April Futures



- Price has closed above 9 and 18-day EMAs supporting the bullish momentum in short term.
- MACD is flat supporting the sideways market.
- RSI is moving down in the neutral region and is supporting the negative sentiments.
- Key supports are visible at Rs 9526/qtl and then at Rs 9812/qtl.
- Key resistance are visible at Rs 10382/qtl and then at Rs 10666/qtl.



CUMIN SEED

- Unjha cash markets remained slightly weak this fortnight as fresh arrivals remained higher in the markets.
- Cumulative arrivals at Unjha for this fortnight were at 95,500 quintals. Cumulative offtake for this fortnight were at 92,500 quintals.
- Markets sentiments remained weak due to weak spot and export demand.
- Sources revealed that the short term trend looks weak as arrivals will improve in Unjha.
- Sources however added that lower production this year could lead to shortage of stocks which in the long run could pull markets lower.
- Sources added that adverse weather condition during the sowing period had considerably reduced the acreage under cultivation.
- The production estimates in Gujarat is expected lower at 21 lakh bags compared to previous estimate at 25 lakh bags.
- Sources add that this year Rajasthan could produce between 3-4 lakh bags lower compared to previous year production at 7-8 lakh bags.
- Spices Board added that Cumin Seed exports were down by 36% at 26,000 tonnes declined during the period of April-January 2010-11 compared 40,800 tonnes during the period of April-January 2009-10.

We expect Cumin seed prices to trade weak on higher arrivals. Price trend in the medium to long term may depend on production estimates and export demand.

Rs/Qtl- Unjha	February 19 th 2011	March 05 th 2011	Change
Loose	13075	13125	+50
NCDEX	14025-14050	13975-14000	-50
Poojari	14550	14500	-50

Technical Analysis - NCDEX – April Futures



- Prices have closed below 9 and 18-day EMAs thus supporting the bearish momentum in the short term.
- MACD is moving down supporting the negative sentiments in the market.
- RSI is moving down supporting the bearish momentum.
- Key support levels are at Rs 15752/ql and then Rs 16315/ql.
- Key resistance levels are at Rs 17720/ql and then Rs 18562/ql.



Red Chilli

- Red chilli cash markets fell this fortnight as weak domestic and international demand pulled the markets lower.
- Higher arrivals in the Guntur markets also pulled the markets lower.
- Sentiments also remained weak as cash markets were partially influenced by weak futures counter this fortnight.
- Sources however added that sentiments are expected to remain firm in the longer run as production estimates this year is expected to be well below earlier estimates of 1.5 crore bags.
- Last year production was 1.5 crore bags and this year production could decline to lower than 1 crore bags.
- Spices Board added that exports of Chilli exports during the period of April-January 2010-11 at 200,000 tonnes compared 200,000 tonnes targeted for the period of April-January 2009-10.
- Long term sentiments remain firm due to reports of traders of crop losses in A.P due to untimely rain.
- Sources added that markets sentiments firm as participants this year are expecting a shortage of stocks due to lower production estimates.
- Cumulative arrivals at Guntur for this fortnight were at 320,000 quintals. Cumulative offtake for this fortnight were at 340,000 quintals.

In the short-term red chilli prices may rebound on firm spot demand and lower arrivals expected. In the long term market trend may depend on export demand and production estimates of the crop.

Rs/Qtl - Guntur	February 18 th 2011	March 04 th 2011	Change
LCA 334-New	6500-8000	6400-7900	-100
Bedki	8500-9000	7600-8600	-400

Technical Analysis - NCDEX – April Futures



- Prices have closed below 9 and 18-day EMA thus supporting the bearish momentum in the short term.
- MACD is moving down supporting bearish sentiments.
- RSI is moving down in the overbought region and is warranting caution to the bears.
- Key support levels are at Rs 8201/qtl and then Rs 8785/qtl.
- Key resistance levels are at Rs 10516/qtl and then Rs 11665/qtl.



Coriander Seed

- Coriander prices fell this fortnight as arrivals improved in Ramganj.
- Sources however added that higher production estimates leading to higher arrivals may pull markets lower. India is expected to produce 1 crore bags this year.
- Sources also added that weak spot and export demand may continue to pull markets lower. However the stocks are still wet and traders may wait for the dry crop which may start in this week.
- Spices Board added that Coriander Seed exports were down by 2% at 35,500 tonnes declined during the period of April-January 2010-11 compared 36,150 tonnes during the period of April-January 2009-10.
- Coriander seed physical market fell in Ramganj this fortnight influenced partially by weak futures counter. Cumulative arrivals at Ramganj for this fortnight were at 32,000 quintals, out of which new arrival crop were at 11,500 quintals and were completely sold. Sources however reported of crops losses expected in Rajasthan, M.P and A.P. M.P is expected to lose about 25% of the crop and Rajasthan about 5-10% in M.P and A.P about 5-10% due to untimely rains.

We expect coriander prices to remain range bound to weak on higher arrivals expected in the coming weeks. In the medium to long term price trend may depend on production estimates and demand in the market.

Rs/Qtl - Ramganj	February 19 th 2011	March 05 th 2011	Change
Badami-Old	3550-3750	3150	-600
Eagle-Old	3750-4000	3250-3300	-700
Badami-New	2900-3400	2300-2800	-600
Eagle-New	3400-4900	2800-3300	-1600

Technical Analysis - NCDEX – April Futures



- Prices have closed below 9 and 18-day EMA thus supporting the bullish momentum in the short term.
- MACD is flat supporting sideways sentiments.
- RSI is moving down supporting bearish sentiments.
- Key support levels are at Rs 4475/ql and then Rs 4714/ql.
- Key resistance levels are at Rs 5270/ql and then Rs 5587/ql.

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